MARYLAND HEALTH CARE COMMISSION

UPDATE OF ACTIVITIES

May 2004

DATA SYSTEMS & ANALYSIS

Data Base and Application Development

Medical Care Data Base (MCDB)
Staff met with CareFirst to discuss that organization's 2003 data submission and a broader initiative to improve data quality through "pre-submission data validation". This new program stems from a recognition that yearly payments and utilization changes can be due to actual changes in enrollment or spending, an artifact of mergers and acquisitions, or simple internal technical transformations. Last year, MHCC encountered significant variation in year-to-year spending trends for several payers including CareFirst. MHCC and CareFirst staff spent considerable time investigating whether utilization declines observed in the CareFirst data from 2001-2002 were real or artifacts of information system changes. After considerable effort, MHCC concluded that CareFirst did not submit a portion of its public employee utilization last year. This utilization was overlooked when the processing of the MHCC data submission was migrated from the DC information platform to the Maryland system. Once these changes were corrected, the precipitous decline in utilization disappeared. MHCC encountered similar problems, and employed a comparable retrospective corrective approach, with several other insurers. From that effort, MHCC learned that additional resources should be assigned to assist insurers in prospectively validating their data submissions.

Consistent data submissions from private payers are critical for accurately estimating year-to-year spending changes during times of rapid spending growth/ MHCC is requesting that CareFirst and other large insurers run a standard analysis program on the data set they plan to submit and compare the output to the results from their prior year's data submission. This step will enable CareFirst and other large insurers to identify how the current data submission differs from the previous year based on key variables such as type of coverage (CSHBP, individual, large group insured, large group self-insured) and by delivery system (HMO, non-HMO).

The "pre-submission data validation" program will benefit the insurer and the MHCC. Errors caught in a timely fashion by the insurers save the MHCC both time and contractor expenses by reducing the amount of staff time needed to identify and investigate problems with insurer submissions, and by reducing the requirement for resubmitting data. The effort will also increase the likelihood that the Commission reports, which rely on information from the MCDB, will be released on time. The pre-submission validation helps the insurers by significantly reducing the likelihood that they will have to use resources to completely resubmit their data, or by reducing the likelihood that they might be fined for not complying with data submission regulations. An additional benefit is that the Commission will be informed in advance about any significant changes in an insurer's organization or procedures that have produced significant changes in the volume or coding of their claims data. This year, MHCC plans to ask the four largest payers to use the program on a demonstration basis. CareFirst was very interested in the validation program because its staff knows that the cost of resubmission is significant for the organization. CareFirst and MHCC staff also discussed several data limitations on the MCDB. CareFirst

representatives agreed to assist MHCC in resolving those issues by providing several additional data elements unrelated to data validation. A follow-up meeting is planned later in May.

Staff will meet with Aetna and CIGNA during May to review similar issues and will meet with MAMSI once that organization has finalized plans for integrating basic information systems with the United Health Group. Staff hopes to make the validation programs available to all insurers next year, if the 2004 demonstration is effective.

A request for proposal (RFP) for selecting a MCDB vendor was released on April 27, 2004. The RFP will identify a vendor to assist MHCC in developing the data and preparing the reports from the data base. RFP responses are due on May 21. 2004. The current vendor is Social and Scientific Systems of Silver Spring, Maryland. During the pre-bid conference, staff emphasized that the MHCC would be analyzing aggressively on price.

Internet-Based Physician Re-Licensure Application
MHCC staff continued to work on the Physician Re-licensure Application for the Maryland Board of Physicians (MBP). MHCC staff will present a test version of the application to MBP at its Board meeting in May. After that meeting, the MHCC staff will test the application with physician volunteers. The MBP intends to release this application about July 1st. Physicians will have ninety days to complete the application.

Ambulatory Surgical Survey
The data collection phase of the survey is complete. Centers had forty-five days from their notification date to complete the survey. All operating facilities met the reporting deadline this year.

Ambulatory Surgery Centers	Facilities Operating in 2003
Completed Survey	305
Exempt	2
In Process/Did Not Submit	0
Total	307

Board of Pharmacy (BOP)
Staff presented information on prescription drug spending and utilization to the Board of Pharmacy at its board meeting on April 21, 2004. MHCC staff proposed establishing a work group with the BOP to explore how information on drug expense could be made available to practicing pharmacists. The Board expressed interest in such an initiative and a follow-up meeting with a subgroup is planned for the next BOP meeting in late May.

Cost and Quality Analysis

Meeting on Improving Federal Health Data for Access, Coverage, and State-specific Needs
The MHCC has been invited by AcademyHealth to send a staff member to a special day-long meeting they will hold next month to discuss strategies and mechanisms to improve the development and use of federal health databases for policymakers, practitioners, and researchers. The meeting, which will be attended by approximately 25-30 participants comprised of funders and producers of data, researchers and users of data, congressional staff, and state personnel, is part of a project being funded by The Robert Wood Johnson Foundation and the National Center

for Health Statistics to assess the challenges in sustaining and improving federal health databases. Given the recent economic downturn, foundations are no longer able to supplement federal data sets with additional surveys to the extent that they have in past years. This has resulted in a need to strengthen and supplement the data in existing federal surveys. The Commission, which is a user of several federal health databases including Medicare claims data (from CMS) and the Medical Expenditure Panel Survey (from AHRQ), has been invited to share its thoughts on how to bolster and improve federal data for research and policy analysis

EDI Promotion and HIPAA Awareness

Maryland Trauma Physician Services Fund
Staff conducted three application review sessions in April for trauma physicians and centers as a way to increase the accuracy of uncompensated care and on-call applications submitted to the Fund. Application review sessions were held in Baltimore City, on the Eastern Shore, and in Western Maryland. Staff met with representatives from trauma centers and trauma physicians to review completed applications in an effort increase the content quality of applications submitted to the fund. During the month, staff received about thirty inquiries related to the Fund.

April 30th was the deadline of the first period for submitting uncompensated care and on-call applications to the Fund. MHCC received twenty-five uncompensated care applications and seven on-call applications. All trauma centers submitted on-call reports by the application deadline. Once reviews are complete, trauma physicians and trauma centers will receive a letter from MHCC indicating the amount approved for payment. The Office of the Comptroller will issue payment directly to providers within about four weeks from the MHCC request. Staff estimates that it will take approximately sixty days from application submission for trauma physicians and trauma centers to receive payment from the Fund.

MHCC staff met with representatives from the audit contractor, Clifton-Gunderson, to discuss the development of the trauma fund audit work plan. Audit activities are scheduled to occur beginning in May, starting with on-call applications. Trauma physicians selected for the audit will be notified in writing by MHCC.

Approximately $8.0 million is available for distribution from the Fund as of the end of April. The Maryland Motor Vehicle Administration is on target for collecting about $8.9 million for distribution by fiscal year end.

HIPAA Awareness
MHCC's HIPAA education and awareness initiatives continued throughout April. Over the last month, staff received approximately twenty-five telephone inquiries from payers and providers requesting assistance on the federal regulations. MHCC is viewed by practitioners and health care facilities as a reliable source for obtaining HIPAA information. Last month, staff provided support to the following groups:

- Maryland Health Partners – Provided support to management on implementation of the transaction standards.
- Nurse Practitioners Association – Worked with the executive director to develop a presentation on privacy and security at the association's summer conference.
- Maryland Medical Group Managers Association – Presented on the security and national provider identifier at its monthly membership meeting.

- Franklin Square Hospital – Worked with the director of compliance on developing a HIPAA education program for physicians and medical staff.
- MedChi – Worked with the education chair in developing a HIPAA education program at its summer conference.
- Maryland Podiatric Association – Provided its membership with information on the security regulations at its quarterly conference.
- Frederick Memorial Hospital – Presented on the security standards and the national provider identifier to practice administrators associated with the hospital.
- Upper Chesapeake Medical Center – Developed a HIPAA education program on the security regulations for practice administrators associated with the hospital.
- Doctors Community Hospital – Developed a privacy update program for the medical staff and practice administrators.
- Maryland Ambulatory Surgical Association – Provided support in developing a privacy compliance program for its membership.

Staff continues to receive requests from medical and non-medical health care associations for HIPAA related education. A number of associations have asked the Commission to provide an overview of the security standards and the recently released national provider identifier regulations later in 2004.

EDI Promotions

EDI Products for Small Medical Practices
The staff has added feedback from the EDI Workgroup into the Practice Management Software Guide and the Payer Internet Guide. The first product is designed to assist small practices in developing criteria for purchasing practice management software. The second tool will assist practices in identifying the standard electronic transactions that the major payers can accept via their web sites. MHCC intends to take both of the products live after one final review by the Workgroup.

EHN Certification
The MHCC has been notified by HealthFusion that it will apply for MHCC certification and EHNAC accreditation this summer. HealthFusion offers web-enabled computing products and communications services that automate activities such as verifying eligibility, submitting referrals, and submitting claims. It will compete with PayerPath.com, Passport Health, RealMed and WEBMD in offering similar products in the Maryland market.

MHCC staff continues to work with Protologics, a Maryland-based small business, that is seeking EHNAC accreditation and MHCC certification. The firm offers a number of innovative products geared to the needs of small and mid-sized practices. The application process has been very challenging for this clearinghouse, primarily because of staffing constraints associated with being a small business. The clearinghouse's one-year candidacy period is technically over. The clearinghouse is nearing completion of its application and MHCC staff has requested that EHNAC give Protologics additional time to complete its application. Staff expects to receive a completed application by the middle of May.

Benefits and Analysis

Comprehensive Standard Health Benefit Plan (CSHBP)
At the October 2003 meeting of the Commission, staff presented the analysis and staff recommendations on proposed changes to the CSHBP. The Commission approved the staff recommendations, along with the proposed draft regulations which were published in the *Maryland Register* on December 26, 2003, subject to a comment period which ended on January 27, 2004. No public comments were received. The Commission approved the adoption of the regulations as proposed at the February meeting. All adopted changes to the CSHBP are put into regulations and implemented, effective July 1, 2004.

On January 30, 2004, Commission staff mailed survey material to all carriers participating in the small group market in Maryland to collect their annual financial data. The deadline for carriers to submit these data was April 2nd. All surveys were submitted in a timely fashion. Staff analyzed the survey results, including number of lives covered, number of employer groups purchasing the CSHBP, loss ratios, average premiums as they relate to the 10-percent affordability cap, etc. Staff will present these findings to the Commission at this month's meeting.

Commission staff has developed a website to be used as a guide for small business owners in their search for health insurance for their employees. This "Guide to Purchasing Health Insurance for Small Employers" is available on the Commission's website at: www.mhcc.state.md.us/smgrpmkt/index.htm. Commission staff has developed a bookmark describing information available on the small group website. This bookmark has been distributed to various interested parties, such as small business associations, Chambers of Commerce, the Maryland legislature, the Department of Labor, Licensing and Regulation (DLLR), and the Department of Business and Economic Development (DBED). As a result of the initial mailing, many of these organizations have requested additional bookmarks to distribute to their constituents.

The National Association of Health Underwriters (NAHU) has added a new section to its website entitled, "Understanding Health Savings Accounts." This link (http://www.nahu.org/consumer/HSAGuide.htm) also has been linked to the above-mentioned Commission website for small businesses.

Evaluation of Mandated Health Insurance Services
In November 2003, the *Annual Mandated Health Insurance Services Evaluation* (as required under Insurance Article § 15-1501, *Annotated Code of Maryland*) was released for public comment. The Commission's consulting actuary, Mercer Human Resource Consulting (Mercer), evaluated two stakeholder-requested mandates as to their fiscal, medical and social impact. No public comments were received; however, a subsequent meeting with one of the requesting legislators led to an alternative request for analysis. This subsequent analysis will be produced as an addendum to the current report. At the December 2003 meeting, the Commission approved the current report for release to the legislature. A presentation was made to the Senate Finance Committee on February 4th. The final report also can be found on the Commission's website.

The 2003 General Assembly passed HB 605, "Evaluation of Mandated Health Insurance Services." As a result, § 15-1502 of the Insurance Article of the *Code of Maryland* was repealed; therefore, the Commission is no longer responsible for conducting a full review of each existing

mandate if the 2.2-percent affordability cap is exceeded. However, § 15-1501 remains in effect, which requires the Commission to assess the fiscal, medical, and social impact of any mandates proposed by the General Assembly along with any other requests submitted by legislators as of July 1. Additionally, HB 605 reestablished § 15-1502, requiring the Commission to evaluate all existing mandates every four years, in terms of the following: (1) an assessment of the full cost of each existing mandate as a percentage of Maryland's average annual wage, as a percentage of individual premiums, and as a percentage of group premiums; (2) an assessment of the degree to which an existing mandate is covered by self-insured plans; and (3) a comparison of Maryland mandates to those provided in Delaware, the District of Columbia, Pennsylvania, and Virginia based on number of mandates, type of mandate, the level and extent of coverage for each mandate, and the financial impact of differences in level of coverage for each mandate.

A draft of the *Study of Mandated Health Insurance Services: A Comparative Evaluation* (as required under Insurance Article § 15-1502) was released for public comment on November 25, 2003. The Commission received public comments that opposed the elimination of the IVF mandate, which has been noted in the report. At the December 2003 meeting, the Commission requested that Mercer provide further analysis on the comparison of Maryland's mandates to those in other states before the report was approved for release to the legislature. At the January 2004 meeting, the final report was approved by the Commission. Commission staff presented the two Mandated Services reports to the Senate Finance Committee on February 4th. The report also is available on the Commission's website.

Actuarial Services Request for Proposal (RFP)
Commission staff is in the process of preparing a Request for Proposal (RFP) for actuarial consulting services. The RFP will be seeking actuarial services for two years, plus one option year.

Legislative and Special Projects

Uninsured Project
DHMH, in collaboration with the MHCC and the Johns Hopkins School of Public Health, was awarded a $1.2 million State Planning Grant by the Health Resources and Services Administration (HRSA). HRSA is the federal agency that oversees programs to ensure access to care and improve quality of care for vulnerable populations. The one-year federal grant provides Maryland with substantial resources to examine the State's uninsured population and employer-based insurance market and to develop new models to make comprehensive health insurance coverage fully accessible to all Maryland residents.

A sixth meeting with the Health Care Coverage Workgroup was held on March 1, 2004. This group, appointed by the former Deputy Secretary for Health Care Financing, is comprised of members who represent the provider, business, health care advocacy, and health care research communities in the state. During the March meeting, staff from the MHCC updated the Workgroup on current legislation in the Maryland General Assembly that attempts to improve access to health care coverage. In addition, staff from the Johns Hopkins University presented results on modeling the cost and impact of expanding Maryland's medical assistance program. Johns Hopkins' staff also presented results from their analysis on options to expand coverage to young adults. The next meeting with the Workgroup has not been scheduled.

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The grant team was awarded a one-year, no cost extension of the project timeline, with an interim report submitted to the Secretary of the Department of Health and Human Services (HHS) in November. DHMH is in the process of applying for another one-year, no cost extension to extend the grant activities to August 2005. During this period, DHMH will conduct a telephone survey of Medicaid recipients to clarify the discrepancy in data between the number of Medicaid enrollees listed in DHMH's administrative data and the number of Maryland Medicaid enrollees reported in the Census Bureau's Current Population Survey (CPS). MHCC staff is providing technical assistance. A final report is due to HHS at the end of the contract period. The final report must outline an action plan to continue improving access to insurance coverage in Maryland. A report outlining the options to expand coverage to Maryland's uninsured was delivered to the members of Maryland's General Assembly in February.

Patient Safety

Chapter 318 (HB 1274) of 2001 requires the Commission, in consultation with DHMH, to study the feasibility of developing a system for reducing preventable adverse medical events. A Maryland Patient Safety Coalition was initiated by the Delmarva Foundation and served as the Commission's sounding board for its activities related to patient safety. Three workgroups were formed: one to look at issues related to systems changes to be recommended; one to address current regulatory oversight and reporting requirements; and a third to discuss issues related to a proposed Patient Safety Center.

A preliminary report, approved by the Commission at the December 2001 meeting, was sent to the General Assembly. One of the preliminary recommendations has been enacted by the General Assembly and signed by the Governor. That bill removes the medical review committee statute that applies to all health care practitioners from the BPQA statute, where it is currently codified, and places it in a separate subtitle within the Health Occupations Article to make practitioners more aware of the protections available to them. It also codifies case law to clarify that certain good faith communications designed to lead to remedial action are protected even when they are not made directly to a medical review committee or committee member, but are nevertheless designed to remedy a problem under the jurisdiction of a medical review committee. The final report has been approved by the members of the Commission and was submitted to the members of the Maryland General Assembly in January. Commission staff briefed two Legislative Committees— the House Health and Government Operations Committee and the Senate Education, Health, and Environmental Affairs Committee — on the study. A bill was introduced in the House to grant medical review committee status to the Maryland Patient Safety Center, as designated by the Commission. This bill will grant protections against legal liability and disclosure of information. It passed out of both Houses and was signed into law by the Governor.

The Maryland Patient Safety Coalition met in January and discussed the status of various activities the Coalition is undertaking. MHCC staff is working with the Coalition on the development and implementation of several activities. In addition, Rosemary Gibson, author of *Wall of Silence*, spoke to the Coalition about the need for better communication between health care providers and patients and their family members when an adverse event or near miss occurs,

and the importance of public support for patient safety. The next Coalition meeting has not been scheduled.

Commission staff has released a request for proposal (RFP) to designate the Maryland Patient Safety Center. Staff is currently reviewing those proposals which were received and will select the vendor to receive the designation. Criteria for the award are specified in the RFP and will be the basis for the designation.

2004 Legislative Session

The 2004 Maryland General Assembly session commenced January 14th and adjourned April 12, 2004. MHCC staff briefed the House Health and Government Operations Committee and the Senate Finance Committee on the Commission reports related to the small group market, mandated benefits, patient safety, the State Health Plan for Facilities and Services for Cardiovascular Services, the Hospice Report and provider reimbursement (HB 805 of 2002). In addition, staff reviewed numerous bills, including over forty bills that directly affected the Commission's activities or were related to the Commission's mission. The Commission has taken a position or written letters of information/support/concern on forty-one bills.

Two bills that directly affect the Commission's activities passed this session. One bill is Senate Bill 570, "Health Insurance – Small Group Market – Limited Health Benefit Plan." This bill requires the MHCC to develop a uniform set of effective benefits to be included in a limited health benefit plan. The Limited Health Benefit Plan will be offered in the small group market. The actuarial value of the limited plan cannot exceed 70% of the actuarial value of the CSHBP as of January 1, 2004. Small employers that have not offered the CSHBP within the past twelve months, and for which the average annual wage of the small employer's employees does not exceed 75% of the average annual wage, are eligible for the limited plan. Language in the bill requires that the MHCC and the Maryland Insurance Administration (MIA) ensure that the limited plan is available in the small group market on July 1, 2005.

Another bill that passed requires the MHCC and the MIA to conduct a study of the affordability of private health insurance in Maryland. SB 131 and HB 845, "MHCC & MIA – Affordability of Health Insurance in Maryland – Study and Recommendations," require the MHCC to study the factors that contribute to increases in health care costs, such as utilization and other cost drivers. An interim report is due on or before January 1, 2005 and a final report is due on or before January 1, 2006. The Governor signed this bill on April 27th.

Facility Quality and Performance

Nursing Home Report Card

Chapter 382 (SB 740) of 1999 requires the Commission, in consultation with DHMH and the Department of Aging, to develop a system to comparatively evaluate the quality of care and performance of nursing facilities. The web-based Nursing Home Performance Evaluation Guide is available through the Commission's website. The Guide includes a Deficiency Information page, data from the Minimum Data Set (MDS) and the MHCC Long Term Care Survey, as well as an advanced search capability, allowing consumers to search by facility characteristics and certain services.

In addition to indicators selected by the Maryland Nursing Home Performance Evaluation Guide Steering Committee, the site also includes the quality measures that are reported on the Centers for Medicare and Medicaid Services (CMS) Nursing Home Compare Website. Inclusion of this

information on the Maryland site provides consumers with the ability to obtain comprehensive information in one location. The CMS measures were enhanced in January 2004 and are now consistent with the consensus recommendations from the National Quality Forum. The fourteen enhanced quality measures build on the original ten measures and provide additional information to help consumers make informed decisions. The Web site was updated with the new measures on March 15, 2004.

Evaluation of the Nursing Home Guide

On August 25, 2003, the Commission contracted with the Lewin Group to perform an evaluation of the nursing home performance evaluation guide. The purpose of this procurement was to conduct interviews with consumers and discharge planners to test the Guide in real-time with respondents using computers. The objectives of the study included: (1) evaluating consumer/professional usage, preferences, and understanding of the Guide; (2) determining ease in navigating through the website; (3) developing recommendations to improve the Guide; and (4) recommending outreach strategies to increase the utilization of the Guide.

All interviews were completed in January 2004 and a draft report was presented to the Nursing Home Performance Evaluation Guide Steering Committee for review and comment. The Lewin Group presented the final report to the Commissioners during the April 15, 2004 meeting. The Nursing Home Report Card Steering Committee will prioritize the recommendations over the summer.

Nursing Home Patient Satisfaction Survey

The Commission also contracted for the development of a nursing home patient satisfaction survey, or the recommendation of an existing tool that provides information for consumers that can be integrated into the Maryland Nursing Home Performance Evaluation Guide, by: (a) reviewing and summarizing existing nursing home satisfaction surveys and implementation processes developed by the federal government, state agencies, other public organizations and private entities or organizations; (b) discussing the cost of administration for each approach; (c) identifying the strengths and weaknesses of the various approaches and indicating whether a similar approach is feasible in Maryland; (d) designing or modifying a survey tool; and (e) proposing a plan for administering the tool including estimated implementation costs and timelines.

A report that included a review of the literature and interviews with various States was presented to the Nursing Home Report Card Steering Committee during their January 2004 meeting for review and comment. The report provided recommendations to guide the selection of a tool for the State. Given the length of the report and the importance of the recommendations, Steering Committee members were provided with additional time to review and comment on the document and they were encouraged to share the report with the members of their various organizations. Very few additional comments were received.

The Nursing Home Performance Evaluation Guide Steering Committee met on March 26, 2004 and recommended that we proceed with the self-administered family satisfaction survey as soon as possible. A request for proposals to administer the survey will be drafted to select a survey administrator. The Nursing Home Steering Committee will meet on June 1, 2004 to discuss the specifications for the RFP. The Steering Committee also agreed, in concept, to implement the interviewer based resident satisfaction survey and to work with AHRQ to determine the possibility of piloting the Nursing CAHPS tool. MHCC staff will present the plan to nursing homes during a presentation at the LifeSpan annual meeting in May 2004.

Nursing Home Patient Safety

The Steering Committee began discussion of nursing home patient safety measures that are appropriate for public reporting. The Committee was presented with an overview of the literature and activities and other states as well as a list of tem common patient safety measures. The Steering Committee agreed that we should begin with reporting health care acquired infections and staffing as two indicators of safety.

Hospital Report Card

Chapter 657 (HB 705) of 1999 requires the Commission to develop a performance report on hospitals. The required progress report was forwarded to the General Assembly. The Commission also contracted with the Delmarva Foundation, in partnership with Abt Associates, to: (1) analyze hospital data to develop appropriate indicators for inclusion in the Hospital Performance Evaluation Guide, and (2) design and execute a consumer-oriented website for the Guide. The initial version of the Hospital Performance Evaluation Guide was unveiled on January 31, 2002.

A new edition of the Hospital Guide was released during a press conference held on May 16, 2003. The revised Guide included quality of care information specific to the treatment and prevention of congestive heart failure and community acquired pneumonia, including individual hospital rates, the state average, and the highest rate achieved by a hospital for each of the measures. The first sets of conditions were selected from the Joint Commission on Accreditation of Healthcare Organization's (JCAHO's) ORYX initiative, which collects quality of care information from hospitals in a method designed to permit rigorous comparisons using standardized evidence-based measures. The quality measures data were updated in April to include information from the 3rd and 4th quarter of 2003.

The Hospital Guide continues to feature structural (descriptive) information and the frequency, risk-adjusted length-of-stay, and risk-adjusted readmissions rates for thirty-three high volume hospital procedures. DRG data were updated to include admissions occurring between December 1, 2001 and November 30, 2002 and was posted on the Website in November 2003.

New Core Measures

The MHCC Commissioners approved the release of a call for public comments regarding MHCC's intent to collect JCAHO's acute myocardial infarction (AMI) measures and to investigate obstetrical measures that may be suitable for public reporting. Public comments were received from July 1, 2003 through July 11, 2003. There were no comments submitted that precluded proceeding with the collection of the measures; therefore, hospitals were instructed to begin collection of AMI data effective October 1, 2003. The new measures will be publicly reported in the fall of 2004.

Obstetrics Measures

The Commission also convened an Obstetrics Workgroup to examine potential structure, process, and outcome measures that are appropriate for public reporting via the Guide. The workgroup has met three times, with the last meeting held on February 29, 2004. T he initial set of forty-two recommended elements was forwarded to the Hospital Performance Evaluation Guide Steering Committee and they were approved. The Commission's contractor, Delmarva Foundation, subsequently extracted the data for each of the elements using the Health Services Cost Review Commission (HSCRC) data base. The obstetrical data, along with an obstetrical services survey, was sent to each hospital for review. Several Web pages were then developed to display the data and the pages were presented to the Commissioners on March 19, 2004.

A press conference has been scheduled for May 13, 2004 at 11:00 am to roll out the revised Guide. MHCC and HSCRC Commissioners, representatives from DHMH, legislators, providers, and consumers have been invited to the press conference.

Patient Safety Public Reporting Workgroup

The first meeting of the Patient Safety Public Reporting Workgroup was held on February 13, 2004. The purpose of this workgroup will be to examine potential patient safety measures that are appropriate for public reporting via the Maryland Hospital Performance Evaluation Guide. During the first meeting, the workgroup was provided with a brief overview of the current Guide and a presentation on measures that are available or publicly reported by other states and organizations.

The workgroup met again on March 26, 2004 to consider specific patient safety measures. They agreed to report the LeapFrog measures that are related to the availability of intensivists in the ICU and computerized physician order entry systems. They also agreed to report as many of the AHRQ patient safety indicators as possible that can be supported by valid Maryland data. Staff will work with the HSCRC, AHRQ, and others to produce data reports for committee review. Lastly, the workgroup recommended that the JCAHO patient safety measures be reported when they become available by either linking to the JCAHO report or adding the data to the Maryland Guide directly.

Evaluation of the Hospital Guide

On August 25, 2003, the Commission contracted with the Lewin Group to perform an evaluation of the hospital performance guide. The purpose of this procurement was to conduct interviews with consumers, primary care physicians, and emergency department physicians to test the Guide in real-time with respondents using computers. The objectives of the study included: (1) evaluating consumer/professional usage, preferences, and understanding of the Guide; (2) determining ease in navigating through the website; (3) developing recommendations to improve the Guide; and (4) recommending outreach strategies to increase the utilization of the Guide.

All interviews were completed in January 2004 and a draft report was presented to the Hospital Performance Evaluation Guide Steering Committee for review and comment. The Lewin Group presented the final report to the Commissioners during the April 15, 2004 meeting. The Hospital Report Card Steering Committee will prioritize the recommendations over the summer.

CMS Pilot Project

The Delmarva Foundation was awarded the 'lead state' status to head a three-state hospital public reporting pilot project initiated by CMS. The Hospital Report Card Steering Committee serves as the steering committee for the pilot. The Committee serves as the primary vehicle for obtaining input and consensus prior to initiating the state specific activities.

As a part of the pilot, hospitals from the three states participated in a patient satisfaction survey. Information from this survey is confidential. The draft survey was developed by the Agency for Healthcare Research and Quality (AHRQ) and draws upon seven surveys submitted by vendors, a review of the literature, and earlier CAHPS work. The pilot project began with a public call for measures in October 2002. The actual survey process began the first week of June 2003 and concluded in August 2003. The survey data were analyzed in December 2003. The final instrument was released by CMS for review and public comment through February 2004.

The Maryland Performance Evaluation Guide Steering Committee received a briefing on the pilot results during the January 27, 2004 meeting and agreed that Maryland should pursue the use of

the tool to collect patient satisfaction data for the *Maryland Hospital Performance Evaluation Guide*. MHCC staff then met with representatives of CMS and AHRQ to discuss an additional pilot of the tool that will take place this summer. A proposal with a complete study design was submitted to AHRQ on April 6, 2004 to request permission to use the HCAHPS tool.

Hospital Meeting

The Maryland Hospital Association (MHA) sponsored a meeting for all hospitals on April 30, 2004 at the BWI Marriott. MHCC staff presented an overview of the new OB section of Web site, proposed patient satisfaction pilot, status of AMI measures and other quality measures, and the patient safety center. A representative from the American Hospital Association also provided an overview of the national voluntary hospital quality initiative.

Other Activities

The Facility Quality and Performance Division is also participating in the planning process for a new HSCRC Quality Initiative designed to evaluate and recommend a system to provide hospitals with rewards and/or incentives for high quality care. Staff attends the HSCRC Quality Initiative Steering Committee meetings on an ongoing basis. The draft report of the HSCRC Steering Committee was also presented to the Hospital Performance Evaluation Guide Steering Committee on January 27, 2004 for review and comment. HSCRC is in the process of selecting members to serve on various workgroups. MHCC staff has been involved with the selection process.

Ambulatory Surgery Facility Report Card

Chapter 657 (HB 705) of 1999 also requires the Commission to develop a performance report for Ambulatory Surgery Facilities (ASFs). The Commission developed a web-based report that was also released on May 16, 2003. The 2002 data are now available and were added to the site in January 2004.

The website contains structural (descriptive) facility information including the jurisdiction, accreditation status, and the number and type of procedures performed in the past year. The site will also include several consumer resources.

An ASF Steering Committee was convened to guide the development of the report and will consist of representatives from a multi-specialty facility, a large single specialty facility, an office based facility, a hospital based facility, and a consumer representative. An exploratory meeting was held with a subset of this group in January 2003. Subsequently, the Steering Committee provided input on several of the proposed web pages including a consumer checklist, glossary, and list of resources.

HMO Quality and Performance

Distribution of Publications

Distribution of 2003 HMO Publications

Cumulative distribution: **Publications released 9/29/03**	**9/29/03- 4/30/04**	
	Paper	**Electronic Web**
Measuring the Quality of Maryland HMOs and POS Plans: 2003 Consumer Guide (25,000 printed)	17,129	Interactive version Visitor sessions = 1,900
		PDF version Visitor sessions = 2,182
2003 Comprehensive Performance Report: Commercial HMOs & Their POS Plans in Maryland (700 printed)	448	Visitor sessions = 1,102
Measuring the Quality of Maryland HMOs and POS Plans: 2003 State Employee Guide— 60,000 printed and distributed during open enrollment		

7th Annual Policy Report (2003 Report Series) –
Released January 2004; distribution continues until January 2005

Maryland Commercial HMOs & POS Plans: Policy Issues (1,000 printed)	658	Visitor Sessions = 311

Outreach efforts employed during recent weeks have led to revived interest in the Consumer Guide. The staff contacted several large organizations in April. Employers with spring enrollment have requested copies for distribution with two organizations ordering nearly three hundred copies of the report. Additionally, more than thirteen employers requested copies so benefit manager may examine the report for inclusion in their enrollment materials later this year. The organizations also displayed interest in the book marks as well, ordering over three hundred copies. Outreach to private academic institutions is planned for May.

The staff also made an effort to increase broker's awareness of the Consumer Guide. Interest by these businesses has waxed and waned over the years; however, interest among this distribution source, too, has increased this spring. The staff shipped nearly four hundred copies to brokers during the month. Unlike large businesses, brokers have not expressed much interest in the bookmarks.

2004 Performance Reporting: HEDIS Audit and CAHPS Survey
HEDIS Audit Activities
In April, HealthcareData.com (HDC), the audit contractor, completed onsite audit activities. The last of the seven onsite reviews was performed at Kaiser Permanente. Recent staffing changes at the plan necessitated close assistance from the auditor to ensure timely submissions of required items.

A key step in the HEDIS audit is completion of the Baseline Assessment Tool by each plan that undergoes evaluation. The completed document supplies the auditor with information about the plan's data systems and data reporting structures and processes. Prior staff reviews of this document have yielded feedback that the audit firm has used in guiding both its staff auditors and Maryland plans in assuring consistency and usability of the tool. However, completion issues remain that staff will address through the development of guidelines that will be disseminated during the December kick-off meeting. The instructions will be based upon an outline of deficiencies created last month from the recent review activities.

The audit is nearing completion with most measure validation processes finalized. Medical record review validation is sequenced last to allow plans sufficient time to collect and calculate hybrid results. This segment will conclude in May allowing plans a reasonable period of time to produce final rates for submission.

Consumer Assessment of Health Plan Study (CAHPS Survey):
The final phase of the CAHPS survey, telephone interviewing of plan members, ended at the close of April. Final rates of response won't be available until the end of May, after data have been cleaned. However, the early indication is that the trend of declining response rates has not changed. Staff prepared detailed instructions for Synovate, our survey contractor, on content and organization of the reports on CAHPS results. Post-survey analysis will include developing results for core questions as well as MHCC-requested analysis. Results will be sent to each plan, NCQA, the federal Office of Personnel Management (for plans that provide health care to federal employees), and to MHCC.

The majority of plans have agreed to have their CAHPS results included in MHCC's sponsor report submitted to the National CAHPS Benchmarking Database (NCBD). MHCC has participated in the NCBD project since 2000 and continues to support the availability of this repository for research activity.

Report Development—2004 Report Series
MHCC is seeking approval from the Maryland Department of Budget and Management to exercise its option to contract for report development services with NCQA. The one-year option is the third and final year of the contract.

HEALTH RESOURCES

Certificate of Need

During April 2004, Staff issued determinations of non-coverage by Certificate of Need (CON) review to Kessler Rehabilitation of Maryland for Adventist HealthCare, Inc.'s purchase of fifty-one percent ownership interest in the facility and to Forest Glen Nursing and Rehabilitation Center for its acquisition by Forest Glen Property, LLC. Both facilities are located in Montgomery County.

Determinations of non-coverage by CON review were also issued to Johns Hopkins Hospital in Baltimore City for preliminary site work including the demolition of three buildings now in active use and the subsequent construction of a "mixed use facility" and for the proposed pre-development costs related to the replacement facilities/campus redevelopment of the Health System. Staff issued a determination of non-coverage by CON review to Holy Cross Hospital of Montgomery County for the construction of a new angiography lab and conversion of a shared lab to a cardiac catheterization lab.

Further, staff issued determinations of non-coverage by CON review to Suburban Hospital of Montgomery County for the conversion of twelve step-down ICU beds to twelve ICU beds and for the conversion of six medical/surgical beds to ICU beds at the hospital; to University Specialty Hospital for the conversion of ten resident rooms to private patient rooms, and to FutureCare-Irvington for the relicensure of ten temporarily delicensed beds, both of Baltimore City; and to Armacost Nursing Home, Inc. of Baltimore County for the temporary delicensure of fifteen comprehensive care beds at the facility.

Staff issued a determination of non-coverage by CON review to Baltimore Eye Surgical Center, LLC (of Baltimore City) for the establishment of an ambulatory surgery center with one operating room and one non-sterile procedure room.

In addition, Staff issued a determination of non-coverage by CON review to Holy Cross Hospital for the closure of its autologous bone marrow transplant program on May 24, 2004.

Staff is in the process of reviewing and analyzing applications for the establishment of a cardiac surgery and percutaneous coronary intervention service in the Metropolitan Washington area. Applications were received from: Holy Cross Hospital; Southern Maryland Hospital Center; and Suburban Hospital.

Acute and Ambulatory Care Services

Pursuant to the approval of the modification to Holy Cross Hospital's Certificate of Need at the Commission's March 19, 2004 meeting, Holy Cross Hospital agreed to submit monthly reports to the Commission on the status of its construction project. The purpose of these reports is to advise the Commission about any potential changes to the terms of the modified CON, including changes in physical plant design, construction schedule, capital costs, and financing mechanisms. The hospital staff and Commission staff have agreed on a format and schedule for this monthly report. Their reports will be submitted to the Commission by the fifth of each month, or the following Monday if the fifth falls on a weekend. The hospital's May update states that no

changes are necessary to the project cost, construction schedule, the design or the financing of this project.

Supplement 4 to COMAR 10.24.10, the State Health Plan for Facilities and Services, Acute Inpatient Services, which was approved by the Commission at its March 19, 2004 meeting, became effective as permanent regulation on April 12, 2004. Supplement 4 includes revised bed need projections for a target year of 2010 for medical/surgical/gynecological/addictions beds and pediatric beds. The bed need projections are shown in the tables below.

MSGA BED NEED PROJECTION - TARGET YEAR 2010					
	Licensed Beds FY 2004	Gross Bed Need		Net Bed Need/Excess	
Jurisdiction		Low Forecast	High Forecast	Low Forecast	High Forecast
Allegany	230	206	245	-24	15
Frederick	176	198	217	22	41
Garrett	28	42	45	14	17
Washington	196	182	201	-14	5
Western MD	*630*	*628*	*708*	*-2*	*78*
Montgomery	976	971	1,084	-5	108
Calvert	73	94	104	21	31
Charles	85	111	122	26	37
Prince George's	699	722	810	23	111
St. Mary's	52	87	95	35	43
Southern MD	*909*	*1,014*	*1,131*	*105*	*222*
Anne Arundel	431	551	601	120	170
Baltimore City	3,071	2,814	3,113	-257	42
Baltimore County	957	983	1,088	26	131
Carroll	153	176	189	23	36
Harford	203	247	272	44	69
Howard	142	166	182	24	40
Central MD	*4,957*	*4,937*	*5,445*	*-20*	*488*
Cecil	90	114	122	24	32
Dorchester	44	58	64	14	20
Kent	42	53	58	11	16
Somerset	12	19	21	7	9
Talbot	99	130	132	31	33
Wicomico	269	271	299	2	30
Worcester	37	57	61	20	24
Eastern Shore	*593*	*702*	*757*	*109*	*164*
MARYLAND	**8,065**	**8,252**	**9,125**	**187**	**1,060**

PEDIATRIC BED NEED PROJECTION - TARGET YEAR 2010					
	Licensed Beds FY 2004	Gross Bed Need		Net Bed Need/Excess	
Jurisdiction		Low Forecast	High Forecast	Low Forecast	High Forecast
Allegany	5	6	7	1	2
Frederick	10	5	7	-5	-3
Garrett	2	1	1	-1	-1
Washington	9	8	9	-1	0
Western MD	*26*	*20*	*26*	*-6*	*-2*
Montgomery	52	28	30	-24	-22
Calvert	2	1	1	-1	-1
Charles	5	2	3	-3	-2
Prince George's	14	7	8	-7	-6
St. Mary's	6	2	3	-4	-3
Southern MD	*27*	*12*	*15*	*-15*	*-12*
Anne Arundel	22	17	18	-5	-4
Baltimore City	251	145	158	-106	-93
Baltimore County	24	15	16	-9	-8
Carroll	7	4	5	-3	-2
Harford	5	5	6	0	1
Howard	6	6	7	0	1
Central MD	*315*	*192*	*210*	*-123*	*-105*
Cecil	3	4	5	1	2
Dorchester	0	0	1	0	1
Kent	4	2	2	-2	-2
Somerset	0	0	0	0	0
Talbot	15	6	6	-9	-9
Wicomico	12	9	10	-3	-2
Worcester	0	0	0	0	0
Eastern Shore	*34*	*21*	*24*	*-13*	*-10*
MARYLAND	**454**	**273**	**303**	**-181**	**-151**

Long Term Care and Mental Health Services

The Commission, with the assistance of Perforum, is collecting data from all hospice providers for the 2003 reporting period via an online survey. As of May 1, 2004, all hospice providers have submitted data. Staff are now reviewing error reports to assure complete and accurate data reporting. Financial data based on cost reports will be due in June.

Long Term Care staff continue to work on the *2002 Report on Maryland Nursing Home Occupancy Rates and Nursing Home Utilization by Payment Source*. This report contains facility-specific data on utilization of, and payment for, nursing home services. There is also trend analysis of data from 1996 through 2002. It is expected that work on this document will be completed during the next month.

Staff of the Long Term Care Unit met with staff of the Maryland Medical Assistance program to review legislation passed during the 2004 legislative session and to analyze its impact on work programs for both Medicaid and the Commission. Staff will continue to pursue areas of mutual interest.

The report on *Percent of Total Patient Days Paid by Maryland Medical Assistance Program by Jurisdiction and Planning Region: Maryland, Fiscal Year 2002* was published in the *Maryland Register* on April 16, 2004. This data is used both in updating the State Health Plan and in reviewing certificate of need applications for nursing home beds.

Specialized Health Care Services

On December 8, 2003, Holy Cross Hospital notified the Commission of its intention to close its autologous bone marrow program due to a decrease in cases. Holy Cross also met the requirements of Section 19-120(l) of the Health-General Article, *Annotated Code of Maryland*, and COMAR 10.24.01.03B(1) by holding a public informational hearing at the hospital on April 20, 2004. Commission representatives were in attendance at the hearing. No members of the public attended. The program will formally close on May 24, 2004.

On Tuesday, May 25, 2004, Commission staff will hold its second annual meeting with representatives of autologous stem cell transplant programs in the Maryland and Washington regions to discuss major issues related to utilization of the programs. Staff is also preparing the second annual *Statistical Brief on Organ Transplant Services*, and updating the Projected Utilization and Need for New Organ Transplant Programs for Target Year 2006.

Commission staff continued to provide technical assistance to facilities licensed as special rehabilitation hospitals in Maryland regarding the submission of discharge abstract data for calendar year 2003. Several hospitals are making corrections to previously submitted data.

The State Health Plan for Facilities and Services on Cardiac Surgery and Percutaneous Coronary Intervention (PCI) Services (COMAR 10.24.17) includes the procedure for a hospital without on-site cardiac surgery to obtain a waiver to provide primary PCI services if it can demonstrate the ability to comply with specified requirements for primary PCI programs. To implement that procedure, Commission staff is working on the format to be used by hospitals when submitting to the Commission a request for a primary PCI waiver, and the schedule and format for collecting and reporting specific data.